

HCS HB 1818 -- PROPERTY TAX ON TIME-SHARE UNITS

SPONSOR: Franz (Schad)

COMMITTEE ACTION: Voted "do pass" by the Committee on General Laws by a vote of 12 to 2.

This substitute changes the classification of time-share units for property tax purposes from commercial to residential property based on a ratio of the nights the time-share units are actually rented compared to the overall nights available for use in that time-share development. The substitute requires, on or before January 31 of each year, the developer, association, or person engaged to manage a time-share development on behalf of the developer or association who is responsible for remitting real property tax assessed on a time-share development to provide to the county assessor the percentage of use in a given year for that development based on the sales tax collected and remitted.

FISCAL NOTE: No impact on General Revenue Fund in FY 2013, FY 2014, and FY 2015. Estimated Net Cost on Other State Funds of Unknown in FY 2013, FY 2014, and FY 2015.

PROPONENTS: Supporters say that the bill places into statute the current practice throughout the state which works well and is fair. The bill simplifies the calculation by allowing an owner to add up all units and calculate in a bundle instead of each unit separately.

Testifying for the bill were Representative Schad; and American Resort Development Association.

OPPONENTS: There was no opposition voiced to the committee.